

Toward A Sustainable Future

Cambridge Growth Policy

UPDATE 2007

ECONOMIC DEVELOPMENT AND EMPLOYMENT





The developer of One Bow Street brought back some of the retail uses that had been in the building before renovation, and added a new restaurant as well.

Economic Development and Employment

In 1993, the economy in the city and the region generally were suffering from a recession. Since the boom of the eighties had died out, the growth policy initiative was in some measure an attempt to regroup, and to consider what kind of economic development would be appropriate once the economy began its move towards recovery. *Toward a Sustainable Future* accurately predicted that the traditional industrial districts “can be expected to change radically in the years ahead as they did in the most recent decade of substantial growth.”

The 1993 document also reflects concerns about the disappearance of traditional manufacturing uses, and suggests encouraging a wide range of enterprises, including manufacturing (see Policies 34 and 35). The nature of manufacturing itself has changed even more since the nineties. Given the high cost of land in particular, the only products that would be likely to be made in Cambridge today would be related to technologies that are emerging here. An important recent document, *Economic Development Policy*, published in the spring of 2004, further elaborates on the City’s economic goals, given the realities of our new economy with its emphasis on biotechnology.

Evolving Industrial Areas

Several City plans have guided the evolution of industrial areas over the last two or three decades, including the *Kendall Square Urban Renewal Plan* (c.1960), the *East Cambridge Riverfront Plan* (1979), and the *Cambridgeport Revitalization Plan* (1983). Policy 37 allows the continued development of areas for which plans have been thoroughly reviewed and approved; this approach has been successfully applied in all these areas, each of which has a different implementation history. The major rezonings adopted in 2001 respected this policy objective.

Before the growth policy initiative, the transformation of the old industrial areas had already taken hold in the East Cambridge Riverfront, in which there was construction of over three million square feet of new uses in the 80s, capped by the opening of the nearly one million square foot CambridgeSide Galleria Mall in 1991, just as the economic recession hit. The Riverfront, a district that had been a traditional industrial center making glass, valves, caskets, ink, and furniture, had become a new neighborhood with office and research and development uses, hundreds of housing units, and expanded hotel and retail uses. The most recent development in this 60-acre triangle was the Hotel Marlowe, which was built in 2002 after housing, cinema, and retail options had been explored and rejected for the site over the previous decade.

A similar transition was taking place in Kendall Square—also known as Cambridge Center in the area administered by the Cambridge Redevelopment Authority (CRA)—although many more sites were yet to be developed in 1993. Since then, Kendall Square and environs has become the center of the life sciences industry

POLICY 34

Cambridge’s evolving industrial areas are a valuable resource whose mix of uses must be carefully planned over the next twenty years.

POLICY 35

Appropriate development in the city’s evolving industrial areas should be encouraged to maintain the city’s overall economic health, to expand the tax base, and expand job opportunities for Cambridge residents.

POLICY 36

The observable trend towards the development of clusters of related uses in the city’s evolving industrial areas should be strengthened through the city’s land use policies.

POLICY 37

In evolving industrial areas for which economic development, urban design, or other plans have been developed, private phased development consistent with those plans should be permitted to develop to completion, even if completion may take more than a decade.



in Cambridge, complemented by the development of hundreds of housing units. Biogen Idec is now one of the top 25 employers in the city, while the neighboring Whitehead Institute and new Broad Institute are world leaders in genome research.

In 1988, a plan was adopted for University Park, but development had only begun to take place as the first growth policy document was published, and the recession slowed the further realization of that project. Subsequently, as biotech companies began to locate in Cambridge, Millennium Pharmaceuticals moved into University Park and is now another of the top 25 employers in the city. At the other end of the spectrum of uses, the final two residential buildings were occupied in 2006, resulting in 674 units of new housing.

New Initiatives

The Citywide Rezoning and the Eastern Cambridge Planning Study (ECaPS) were significant planning and rezoning efforts of the last few years (discussed in detail in the Land Use chapter). They are now having the kind of impact on economic growth in formerly industrial areas that the earlier plans had at the end of the last century. The policies followed in those planning efforts (including Policy 38) are consistent with the set of economic growth policies that have been guiding the redevelopment of the city in ways that encourage positive change, while respecting the special qualities of Cambridge. Citywide Rezoning and ECaPS produced a more detailed and comprehensive system of transportation and design review for new projects, and as a result, many City economic goals are being furthered without overpowering the city's neighborhoods, as suggested in Policy 39.

Several recent major projects in the Eastern Cambridge area (defined to include the area from Kendall Square up to North Point) are helping to transform this increasingly vital part of the community. These projects also reflect how the changing economy affects the built environment. Technology Square was built in the sixties as

POLICY 38

Within clearly established limits, land use regulations in the evolving industrial areas should recognize the need for flexibility of use as for instance between office, research, and light manufacturing activities and provide for a wide range of density options throughout the city including those which foster research and development and start up operations.

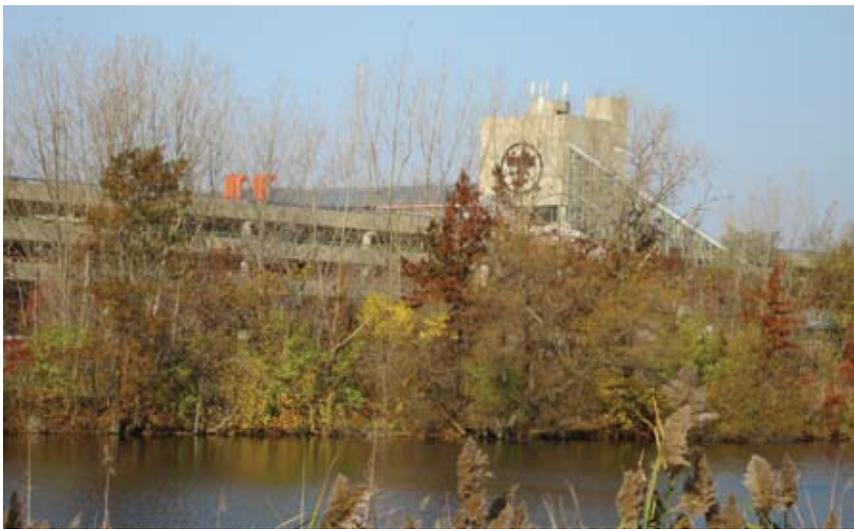
POLICY 39

Development patterns in all nonresidential areas must be planned to minimize negative impact on abutting residential neighborhoods.

an office park in the fashion of redevelopment typical at that time, with large towers separated from the street and clustered around a courtyard that most passersby would never see. The office tenants had left by the nineties, and a new plan was implemented to make the open space connect to the adjoining street, with several new buildings inserted to make better use of the site for biotech tenants. Current plans include the addition of more ground floor retail to help animate both the complex and its surroundings.

Just across the street from Tech Square is MIT's new Brain and Cognitive Sciences building, a project which reflects the growing awareness of the importance of multi-disciplinary or interactive work in the sciences, and the fact that new buildings can help stimulate positive synergy among disciplines. Similarly, the neighboring Stata Center brings together many disciplines at MIT that had been dispersed, with the goal of fostering interdisciplinary research. Down the street in Kendall Square itself, the Broad Institute opened in 2006. This facility will allow an unprecedented collaboration among MIT, Harvard, and the Broad family to build upon the genomic research breakthroughs achieved by the adjoining Whitehead Institute. Further adding to the dynamic mix of uses in this area, the first residential project in the heart of Kendall Square is expected to be constructed immediately next to Broad. Foundations are in place, and the tower may begin construction in the near future.

A positive mix of new uses characterizes the project known as Cambridge Research Park, on the site of a former coal gasification plant on Third Street. This Planned Unit Development project, approved by the Planning Board in 1999, includes the Genzyme headquarters, a nationally recognized "environmentally friendly" building that helps set a new standard for green design in Cambridge. Additional elements of the project will be more research and development uses, three residential buildings (one now being occupied), and a major performance center. Across the street on a former utility site, another residential building at 303 Third Street, has started construction. Further north towards Lechmere Square, still more housing is under



Alewife, with its extensive wetlands, includes a mix of business, retail, and residential uses near the transit station at the terminus of the Red Line.

development in a former candy factory at One First Street. An important part of the transformation of the former industrial areas is the provision of mixed-income housing with retail on the street level in each of these projects, to help make Cambridge a lively place around the clock, rather than only from 9 to 5.

All of this development experience is being applied on the old railyard now known as North Point. Here, an entire new district with 5 million square feet of development has been planned, with infrastructure to include new roads, sewers, parkland, and a reconstructed Green Line station at Lechmere. The first two residential buildings are under construction, along with the major central park space. Again, a wide gamut of uses is being sought to help weave this project into Eastern Cambridge. Each of these developments has had extensive public review to minimize traffic and other negative impacts on nearby neighborhoods while expanding employment options as a new economy unfolds in the city.

Most of these new initiatives are in the eastern part of the city, but another large area that is likely to be undergoing change in the coming decades is Alewife. The economic booms of the last few decades have not produced large amounts of new development in this westernmost district, but there is still significant potential for change from the rather scattered pattern of uses that exists in Alewife at present. The proposed revisions to the zoning for this area were adopted in 2006 and anticipate that change can be better managed by taking into account goals such as the orientation of development to transit, new infrastructure, rationalization of the street network, linking and adding open space, and improved stormwater management.

POLICY 40

The City should actively assist its residents in developing the skills necessary for them to take full advantage of the city's changing economic makeup and to provide the personnel resources which would make Cambridge a desirable place to locate and expand.

POLICY 41

The benefits of a strong employment base should be extended to portions of the resident population that have not benefitted in the past; the City should support appropriate training programs that advance this objective.

POLICY 42

While recognizing some of the disadvantages of any urban location for many kinds of manufacturing activities, the City should make every effort to retain and recruit a wide range of enterprises suitable for a Cambridge location, presently, or in the future as manufacturing processes evolve and change. Where possible the disadvantages should be minimized and the real advantages strengthened for manufacturing activities that can widen the city's job base and solidify its economic vitality.

Employment

An important goal of the Economic Development Division (EDD) in the Community Development Department is to provide support for Cambridge's working population, which is widely known as being highly talented and well-educated. Responding to Policies 40 and 41, the City places great emphasis on cultivating a broad-based workforce in order to meet the needs of Cambridge employers. City staff continually design and develop initiatives aimed at enhancing access to jobs for Cambridge residents by coordinating with the Office of Workforce Development, employers, the School Department, non-profit organizations, and others.

In 2001, the EDD published *Education and Skills for the New Economy: A Survey of Employment Trends in Cambridge*. This document helps interested parties gain a better understanding of current and future labor needs of the city's employers in the science and research, health, information technology, and business and finance industry sectors—the so-called “new economy.” It also provides a better understanding of the links among workforce policies, school curricula, and the jobs of tomorrow. Other key initiatives include City participation in the Just-A-Start biomedical training program and the Cambridge Health Alliance health care advancement training. Both programs provide access to training and employment opportunities

for low-to-moderate income Cambridge residents so that they can find high technology and medical technology jobs that tend to be available in the city.

Encouraging Business and Industries

Subsequent to the first publication of *Toward a Sustainable Future*, the City, acting through the EDD, has been expanding its efforts to provide economic development programs and initiatives that are compatible with the character of each neighborhood, including one-on-one business counseling services, real estate site finder assistance, workforce development assistance, and networking opportunities for small and large businesses (see Policy 44).

Small Business Assistance

One-on-one counseling and technical assistance are offered to new businesses in the start-up phase and to existing businesses which may face a wide range of issues from business expansion to financial distress. Businesses may receive help with writing a business plan, which can be used to apply for business loans or as an operating tool for running the business. Other assistance may include help with new business feasibility analysis, marketing plans, expansion plans, site assessments, and referrals to sources of capital.

Continuing its business assistance efforts, the Economic Development Division offers a Business Development Services Program. Aspiring entrepreneurs and individuals starting businesses are provided a continuum of services that includes information on exploring entrepreneurship, workshops on starting a business, and an intensive training series that will prepare participants to complete a sound business plan of their entrepreneurial idea. Established businesses are provided a range of services that includes information on finance, marketing, taxes, and pricing, and individual consulting appointments.

Several non-profit organizations and state and federal agencies have developed programs designed to help emerging businesses obtain capital. In addition, Cambridge banks have loan programs specifically designed to support the needs of small businesses. Working in collaboration with state and federal agencies, including the Small Business Administration, the State Office of Minority and Women-Owned Business, and Mass Development, the Economic Development Division assists businesses with locating the appropriate lenders, based on the needs of the company, and assists with the preparation of loan applications.

Large Business Assistance

The Economic Development Division also maintains a listing of available commercial real estate and makes this information available to anyone seeking commercial space in Cambridge. Site searches are performed for office, retail, industrial, and research and development space.

The Development Log, published quarterly, tracks large-scale residential and commercial development projects in the city that are currently in the permitting and

POLICY 43

The City should establish the regulatory environment and provide the support necessary to encourage the establishment of manufacturing activities for which the city may be a suitable location in the future.

POLICY 44

The City should actively cultivate a regulatory and policy environment that assists in the retention of existing industries, supports the creation of new businesses and the innovative thinking that precedes it, retains an inventory of low cost space necessary for fledgling enterprises, and fosters an innovative environment where entrepreneurship thrives.

POLICY 45

Specialized economic activities for which Cambridge is a congenial host, such as the tourism and hospitality industries, should be supported.

POLICY 46

The diversity, quality, and vigor of the city's physical, ethnic, cultural, and educational environment should be nurtured and strengthened as a fundamental source of the city's economic viability. More specifically, minority businesses and economic entrepreneurship should be encouraged.



Kendall Square used to be a traditional center for manufacturing technology. Now, it is a mixed-use center with an internationally known biotechnology emphasis.

construction stages. For each project listed, the log contains the name and location, project size, developer, type of use, square footage, and contact information.

The EDD monitors current market conditions in employment and real estate to understand their impact on the City's economy. Information is maintained on development projects, census data, and industries of special significance to the City. As the Cambridge business environment continues to evolve, it is important to make businesses without a Cambridge presence aware of all that Cambridge has to offer. *Cambridge Biotech: History in the Making* was published in 2005 to illustrate how Cambridge has become a world leader in the biotechnology industry.

In order to provide a user-friendly regulatory environment for residents and businesses, the EDD has developed six systematic guides to obtaining common licenses and permits. Topics include how to obtain a building permit, a curb cut permit, a fire safety permit, permits and licenses required to hold a special event, historic commission certificates, and how to start a business in Cambridge.

Diversity

Toward A Sustainable Future defines diversity in a very broad manner, including the character of neighborhoods, architecture, population, and types of uses, all of which are important to the special character of the community. In particular, the City continues to support the goal of maintaining diversity with respect to its business economy. The development and enhancement of businesses owned and operated by women and/or minorities have long been high priorities of the City. Since 1997, the Economic Development Division has published three editions of the Cambridge *Women and Minority-owned Business Directory*. Most recently published in May, 2006, the directory lists 276 women and minority-owned businesses and contains a resource guide to other small business support services.

The City's Purchasing Department has a good faith purchasing program that is available to all state-certified minority and women-owned businesses. The State Office of Minority and Women Owned Business Administration, (SOMWBA), administers the certification process. As women and minority-owned businesses have traditionally had less access and opportunity in the broader economy, the City has encouraged greater use of the products and services provided by these businesses.

Retail Activity

Commercial activity is not centralized in Cambridge; rather, it takes place within every section of the city. Large firms and neighborhood shopping areas coexist in close proximity to residential districts and local educational institutions. Throughout the city, citizens appreciate the vitality that comes with retail activity, and Cambridge's independent retailers are known for the unique goods and services that they offer.

Several very successful economic development programs support retail in Cambridge by offering technical advice and matching grants. The Best Retail Practices



POLICY 47

Existing retail districts should be strengthened; new retail activity should be directed toward the city's existing retail squares and corridors.

POLICY 48

Retail districts should be recognized for their unique assets, opportunities, and functions, and those aspects should be encouraged, in part to assure that they can compete with regional shopping centers and maintain their economic viability.



Program helps retail business owners learn the latest and best techniques to improve their interior store design, merchandising, marketing, and store operations. The Facade Improvement and Signage & Lighting Improvement programs provide technical and financial assistance to property owners or tenants seeking to renovate or restore their commercial building facades. The programs' objectives are to support the local small businesses that provide the day-to-day retail life of the city, by enhancing the physical appearance of storefronts and by helping to build a stronger customer base. EDD also periodically conducts workshops (such as E-Marketing for Retailers) for people interested in business assistance.

In addition, the Economic Development Division continues to collaborate with local business associations and organizations, including the Central Square Business Association, the Harvard Square Business Association, the Inman Square Business Association, the Chamber of Commerce, the Center for Women and Enterprise, and the Women in Business Connection, to improve the business environment and to promote the visibility and marketability of commercial districts. In 2005, over 2000 retailers were surveyed by the Economic Development Division. Survey returns indicated that merchants are concerned with increasing their market share, but are generally satisfied with the viability of their businesses.

A Planning Board seminar on retail use in the summer of 2004 addressed concerns about the viability of ground floor retail throughout the city. The Board, the staff, and community members discussed the challenge of how to promote retail, while recognizing that it is a very vulnerable use, and very dependent upon the people who run the businesses. This will be an ongoing topic of discussion in the future.

There are many areas of the city in which it is desirable to encourage retail use, or at least to mandate ground floors that are as active as possible. On the other hand, there are areas where retail cannot thrive because the location is not proximate to other shopping, and access is difficult. However, developers should be encouraged to facilitate the use in promising locations, even if it is not the most profitable choice. In the long run, areas become more desirable and broadly successful if there is a healthy retail environment on principal streets and in important central locations. Sometimes, it takes a while for an area to have sufficient density to support shopping; the first buildings to be located in such areas should have provisions for the eventual location of retail on ground floors, even if such uses are not immediately feasible.